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**ELECTRONICALLY FILED
August 19, 2013 04:42 PM
TRACY WINKLER
Clerk of Courts
Hamilton County, Ohio
CONFIRMATION 274118**

**BRIAN P OCONNOR TRUSTEE
OF THE GALEMMO
FRAUDULENT**

A 1305659

**vs.
JOSEPH GALEMMO**

**FILING TYPE: INITIAL FILING (IN COUNTY) WITH JURY
DEMAND**

PAGES FILED: 12

EFR200

Comes now the Plaintiff, Brian P. O'Connor, Trustee of the Galemmo Fraudulent Transfers Trust, by and through his counsel, Santen & Hughes, LPA, and for his Complaint against the Defendants shown above (the "Defendants"), hereby states as follows:

NATURE OF THE ACTION

1. Plaintiff, as Trustee, brings this action in his continuing efforts to recapture and return the investment funds of customers of Glen Galemmo ("Mr. Galemmo") that Mr. Galemmo diverted in the course of his elaborate Ponzi Scheme.

2. Regardless of whether or not the Defendants knew of Mr. Galemmo's crimes, for years they received substantial amounts of property without providing any corresponding benefit to Mr. Galemmo, his affiliates, or his customers. Moreover, Defendants had no good faith reason to believe that they were entitled to the property that was transferred to them. The purpose of this action, therefore, is to recover to the fullest extent possible the money that was transferred by Mr. Galemmo away from his defrauded customers.

3. Mr. Galemmo's crimes have wrought financial devastation upon legions of investors across the country, and the inequity between the Defendants' continuing financial advantages and the economic distress of the Trust's beneficiaries compels the Trustee to pursue these claims.

PARTIES

4. Plaintiff Brian P. O'Connor is the Trustee of the Galemmo Fraudulent Transfers Trust ("Trust"). The Trust is domiciled in Ohio and has assumed from its respective predecessors (the "Beneficiaries") all rights, title and interest in and to any and all claims against the Defendants herein (the Trust and its respective predecessors are collectively referred to as "Plaintiff").

5. Defendant Joseph Galemmo (“Joe Galemmo”) is Mr. Galemmo’s father. Joe Galemmo resides at the address listed in the caption in Warren County, Ohio. Joe Galemmo is also a trustee of the Galemmo Revocable Living Trust u/a/d May 9, 2011 (the “Galemmo Trust”).

6. Defendant Cheryl Galemmo is Mr. Galemmo’s stepmother. Cheryl Galemmo resides at the address listed in the caption in Warren County, Ohio. Cheryl Galemmo is also a trustee of the Galemmo Trust.

7. Defendant the Galemmo Trust is an Ohio trust that is domiciled at the address listed in the caption.

8. Defendants Joe Galemmo and Cheryl Galemmo are sued in both their individual capacity and their capacity as trustees of the Galemmo Trust.

9. Defendant Jones-Morris Group, LLC (“Jones-Morris Group”) is a Florida limited liability company that may be served with process in the care of its statutory agent, Glen Galemmo, at the address listed in the caption.

JURISDICTION AND VENUE

10. This Court has jurisdiction over this matter pursuant to R.C. 2305.01

11. Venue is proper with this Court pursuant to Civ. R. 3(B) as the claims for relief arose in Hamilton County, Ohio and the Trust is domiciled in Hamilton County, Ohio.

THE FRAUDULENT PONZI SCHEME

12. At various time the Beneficiaries invested substantial sums with Galemmo, Queen City Investments, LLC, or their various affiliates.

13. Mr. Galemmo falsely claimed to be a money manager who, through his various associates and affiliates, solicited funds from investors, including the Beneficiaries, for investment purposes.

14. Mr. Glemmo repeatedly claimed to have in excess of \$200,000,000 under management in his various affiliates.

15. Mr. Glemmo would cause the assets to be invested in several different brokers so as to make difficult a complete understanding of his investment performance.

16. Mr. Glemmo would tell his customers that his investment strategy was to buy low, sell high, and to react to market changes quickly.

17. As a result, Mr. Glemmo claimed to have achieved a level of success over an extended period of time that was, in truth, unattainable. For example, Mr. Glemmo claimed that he never had a year in which his investments experienced a loss on the whole. Since 2005, Mr. Glemmo claimed that his investments experienced double digit returns each year.

18. Between years 2006 through 2011, Mr. Glemmo claimed to have achieved a 432% return. During the same time, the S&P 500 was down slightly.

19. In 2008, the S&P was down approximately 36%. Mr. Glemmo claimed that his investments were up 9.84% during the 2008 year.

20. Mr. Glemmo claimed that his investment strategy involved him holding individual stocks. Nevertheless, none of the K-1's distributed to his investors showed any dividends whatsoever.

21. The K-1's that Mr. Glemmo distributed to his investors also omitted any reference to the individual's ownership percentage in the investment fund, despite requirements that they do so.

22. In truth, Mr. Glemmo's investment strategy was nothing more than a massive Ponzi Scheme. As part of the Ponzi Scheme, Mr. Glemmo fraudulently reported false

information about the value of his investors' investments. Mr. Glemmo would also use funds from certain investors to pay off other investors who required an early distribution.

23. The monthly and annual statements issued by Mr. Glemmo and his affiliates were fraudulent and were intended to mislead the Trust's beneficiaries into believing that they had substantial investment accounts, when in fact there were very few assets held by Queen City Investments.

24. Mr. Glemmo repeatedly lied to the Beneficiaries about the character of his investments, his investment performance, the amount in their investment accounts, and the amount of assets under management.

25. As a result of this illegal and fraudulent conduct, the Beneficiaries were damaged by Mr. Glemmo and his affiliates.

26. Mr. Glemmo has been under a federal criminal investigation for several months for wire fraud, mail fraud, money laundering, and other violations.

27. On or about June 3rd, 2013 the IRS raided Mr. Glemmo's place of business, executed a federal search warrant, and seized documents and computers.

28. On July 17, 2013, Mr. Glemmo admitted in an email to his customers that he was under investigation and that his business had been closed.

29. Subsequently, Mr. Glemmo's investors have filed at least two lawsuits against Mr. Glemmo and his affiliates seeking relief. The federal government has also filed a civil forfeiture complaint in the Southern District of Ohio concerning assets purportedly owned by Mr. Glemmo or his affiliates.

30. Mr. Glemmo has fled the state of Ohio in order to hinder and defeat the claims of his creditors.

THE PONZI SCHEME BENEFITED THE DEFENDANTS

31. Mr. Glemmo's fraudulent statements and crimes spanned years, and he was fully aware that his conduct would result in claims being asserted against him on account of his fraudulent and criminal actions.

32. Even though Mr. Glemmo was aware of the claims of the Beneficiaries, he transferred substantial assets to insiders, including Defendants.

33. Without limitation, Mr. Glemmo, directly or indirectly, paid for the real property located at 1318 Oakhurst Court, Lebanon, Ohio 452036 (the "Oakhurst Property") which is titled in the name of Defendants Joe Glemmo and Cheryl Glemmo and used by them as their residence.

34. Mr. Glemmo directly or indirectly paid for the property located at 551 Fairways Drive, Titusville, Florida 32780 (the "Fairways Property") which is titled in the name of the Glemmo Trust.

35. Mr. Glemmo directly or indirectly paid for the a 2004 Turquoise Roadmaster Rail Monocoque, with vehicle identification number 1RF43564542029075 (the "Motor Home") which is titled in the name of Defendants Joe Glemmo and Cheryl Glemmo and used by them for their own benefit.

36. Mr. Glemmo directly or indirectly paid for a condominium unit located at 6000 Royal Marco Way, Unit 454, Marco Island, Florida 34145 (the "Marco Island Condo") which is titled in the name of Defendant Jones-Morris Group.

37. All of the above-described direct or indirect payments constituted fraudulent transfers.

38. The Oakhurst Property, the Fairways Property, Motor Home, and Marco Island Condo were all purchased with the proceeds of fraudulent transfers.

39. Transfers by Mr. Glemmo, whether made directly or indirectly, were fraudulent, and were made for the purpose of hindering or preventing recovery by Beneficiaries.

40. Mr. Glemmo and Defendants were aware of the claims of the Beneficiaries at the time of the transfers.

41. At the time of the transfers, Mr. Glemmo and his affiliates were insolvent in that (i) their assets were worth millions of dollars less than the value of their liabilities; (ii) they could not meet their obligations as they came due; and (iii) at the time of the transfers described herein, Mr. Glemmo and his affiliates were left with insufficient capital.

42. At the time of the transfers, Mr. Glemmo had insufficient assets to conduct his business; specifically, his funds had insufficient assets to repay funds invested by Beneficiaries.

43. The Trustee's investigation is ongoing, and the Trustee reserves the right to (i) supplement the information on the transfers and any additional transfers, and (ii) seek recovery of such additional transfers.

COUNT I
CLAIM FOR FRAUDULENT TRANSFER UNDER R.C. 1336.04(A)(1)

44. Plaintiff incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

45. For at least the last seven years, Mr. Glemmo and his affiliates have been insolvent in that their liabilities have always exceeded their assets.

46. For at least the last seven years, Mr. Glemmo and his affiliates have been insolvent in that they has been unable to pay their debts as they became due.

47. While he was insolvent, Mr. Glemmo, directly or indirectly, transferred cash and other assets to Defendants without receiving reasonably equivalent consideration in return.

48. Mr. Glemmo depleted his funds of working capital by taking out varying amounts of cash for improper purposes, including the making of the fraudulent transfers described herein.

49. The transfers to Defendants were made with the actual intent to hinder, delay, or defraud the Beneficiaries as creditors of Mr. Glemmo.

50. Defendants were insiders of Mr. Glemmo at the time these transfers were made.

51. These transfers to Defendants constitute fraudulent transfers under R.C. 1336.04(A)(1) for which the Beneficiaries can recover.

52. The Beneficiaries are entitled to have the transfers to Defendants avoided to the extent necessary to satisfy the amount that Mr. Glemmo or his affiliates owe to them.

53. The Beneficiaries are entitled to recover their attorney fees from Defendants in an amount to be determined at trial.

COUNT II
CLAIM FOR FRAUDULENT TRANSFER UNDER R.C. 1336.04(A)(2)

54. Plaintiff incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

55. Mr. Glemmo did not receive a reasonably equivalent value in exchange for the transfers he made directly or indirectly to Defendants.

56. At the time the transfers to Defendants were being made, Mr. Glemmo was engaged in a business or transaction for which his remaining assets were unreasonably small in relation to the business or transaction.

57. At the time the distributions were made, Mr. Glemmo intended to incur, or reasonably should have believed that he would incur, debts beyond his ability to pay as they became due.

58. The Beneficiaries are entitled to have the transfers to Defendants avoided to the extent necessary to satisfy the amount that Mr. Glemmo owes them.

59. The Beneficiaries are entitled to recover their attorney fees from Defendants in an amount to be determined at trial.

COUNT III **CONVERSION**

60. Plaintiff incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

61. The Beneficiaries had a possessory right and interest to the assets of Mr. Glemmo and his affiliates.

62. The Defendants converted the investment funds of Mr. Glemmo and his affiliates when they received money originating from the Beneficiaries' investment accounts in the form of payments and other transfers. These actions deprived the Beneficiaries of the use of their funds.

63. As a direct and proximate result of this conduct, the Beneficiaries have suffered damages in an amount to be determined at trial.

64. The Defendants conscious, willful, wanton, and malicious conduct entitles Plaintiff to an award of punitive damages in an amount to be determined at trial.

COUNT IV **UNJUST ENRICHMENT**

65. Plaintiff incorporates by reference the allegations contained in the previous paragraphs of this Complaint as if fully rewritten herein.

66. Defendants benefited from the receipt of money and other property from Mr. Glemmo and his affiliates for which they did not adequately compensate Mr. Glemmo or his affiliates, or otherwise provide value.

67. This enrichment was at the expense of Mr. Glemmo and his affiliates and, ultimately, at the expense of Mr. Glemmo's customers.

68. Equity and good conscience require full restitution of the monies received by Defendants from Mr. Glemmo and his affiliates.

69. Defendants' conscious, intentional, and willful tortious conduct entitles Plaintiff to recapture profits derived by Defendants utilizing transfers they received from Mr. Glemmo and his affiliates. By way of example and not of limitation, this includes profits earned from real estate interests Defendants purchased with the Beneficiaries' funds.

70. By reason of the above, Plaintiff is entitled to an award of compensatory damages in an amount to be determined at trial.

PRAYER FOR RELIEF

WHEREFORE, the Plaintiff demands final judgment as follows:

- a. An accounting of all payments made directly or indirectly to or for the benefit of Defendants by Mr. Glemmo for the last seven years;
- b. An award of compensatory and punitive damages against Defendants, jointly and severally, in an amount to be determined at trial, plus interest accruing from the dates of each fraudulent transfer;
- c. A declaration that the Oakhurst Property, the Fairways Property, the Motor Home, and the Marco Island Condo, or the equity in these properties, were acquired by Defendants as the result of the fraudulent transfers set forth herein;

- d. An attachment or garnishment against the above-described properties in accordance with Chapters 2715 and 2716 of the Revised Code;
- e. An award of court costs and legal fees;
- f. Avoidance of all transfers to Defendants to the extent necessary to satisfy the claims of the Beneficiaries against Mr. Galemmo;
- g. Subject to the applicable principles of equity and in accordance with the Rules of Civil Procedure, any of the following:
 - i. An injunction against further disposition by Defendants of any asset transferred to them by Mr. Galemmo;
 - ii. The imposition of a constructive trust or equitable lien upon the assets of Defendants directly or indirectly obtained from Mr. Galemmo;
 - iii. The attachment or garnishment of assets fraudulently transferred from Mr. Galemmo, directly or indirectly, to or for the benefit of Defendants;
 - iv. Any other relief authorized by ORC 1336.07 that the circumstances may require; and
- h. Such other relief as this court deems just, proper, and equitable.

Respectfully submitted,

/s/ Charles E. Reynolds

Charles E. Reynolds (0019935)

Brian P. O'Connor (0086646)

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JURY DEMAND

Plaintiff hereby demands a trial by jury on all issues so triable.

/s/ Charles E. Reynolds _____
Charles E. Reynolds (0019935)

PRAECIPE TO THE CLERK OF COURTS:

Please serve Defendants via certified mail, return receipt requested. If service of process by certified mail is returned by the postal authorities with an endorsement of “Refused” or “Unclaimed”, the undersigned waives notice of the failure of service by the Clerk and requests ordinary mail service in accordance with Civil Rule 4.6(C) or (D) and Civil Rule 4.6(E).

/s/ Charles E. Reynolds _____
Charles E. Reynolds (0019935)

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